

**TAB 4**

**In The Matter Of:**

*THE STATE OF TEXAS ex rel. v.  
DEY, INC., ET AL.*

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*GREGG P. CIARELLI  
June 26, 2002*

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**Word Index included with this Min-U-Script®**

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[1] regulations of the State of Texas Medicaid program.  
[2] A: I don't know that.  
[3] Q: Let me ask you a — a global question about  
[4] persons located in Columbus, Ohio working for Roxane.  
[5] First of all, to your knowledge, were there employees  
[6] in and around — and when I say Columbus, I don't know  
[7] if it was in a suburb or actually in Columbus, but does  
[8] that bother you for me to just say Columbus area? Do  
[9] you understand what I'm talking about?  
[10] A: Yes.  
[11] Q: Because I would not want to later on find out,  
[12] well, that there were two or three locations around  
[13] Columbus and I'm leaving some out because I didn't name  
[14] them. Is that the situation or — what — what  
[15] existed — or — in and around Columbus that belonged  
[16] to BIPI or Roxane?  
[17] A: The Columbus location.  
[18] Q: One location?  
[19] A: There was — there's one location — physical  
[20] location plant and then there's a — there was a  
[21] marketing building in that same campus, and then  
[22] there's a — I believe there's a manufacturing facility  
[23] that was referred to as Oak Street somewhere in the  
[24] city of Columbus.  
[25] Q: In your mind, is that all one unit or —

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[1] A: Yes.  
[2] Q: Okay. So when I say Columbus, we're just  
[3] talking about one unit. Right?  
[4] A: Yes.  
[5] Q: Okay.  
[6] A: Okay.  
[7] Q: Were there BIPI employees and Roxane employees  
[8] in Columbus?  
[9] A: Roxane only.  
[10] Q: Roxane only? And were those persons in  
[11] Columbus in one way or another all supervised or  
[12] reporting to people in management at BIPI here in  
[13] Danbury?  
[14] A: Some were and some were not.  
[15] Q: Who were the Roxane employees in Columbus who  
[16] did not have any reporting responsibilities ultimately  
[17] to somebody here in Danbury?  
[18] A: I don't know.  
[19] Q: Okay. Who do you — do you know who — all of  
[20] the management level people who were in the Roxane unit  
[21] in Columbus back in 1998?  
[22] A: Not all of them.  
[23] Q: Tell me the ones that you do know, please.  
[24] A: Ed Tupa. Judy Waterer. Gary Ellexson.  
[25] Q: Gary E-I-I —

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[1] A: E-I-I-e-x-s-o-n. He was in charge of branded  
[2] marketing. Judy was —  
[3] Q: Branded marketing?  
[4] A: Yeah.  
[5] Q: Judy was in charge of what?  
[6] A: Multisource marketing.  
[7] Q: And Ed Tupa?  
[8] A: He was in charge of sales and marketing.  
[9] Q: Did Gary and Judy report to Ed?  
[10] A: I believe so, yes.  
[11] Q: Who else in management —  
[12] A: John Powers.  
[13] Q: Who else?  
[14] A: Rich Feldman.  
[15] Q: Anyone else you can think of?  
[16] A: Not that I recall.  
[17] Q: I understand Ed Tupa is retired?  
[18] A: I believe so, yes.  
[19] Q: Judy Waterer is still with Roxane, but in  
[20] Cleveland?  
[21] A: Yes.  
[22] Q: Gary Ellexson, where is he?  
[23] A: He works here at BIPI.  
[24] Q: Is he still a manager of branded marketing, or  
[25] do you know?

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[1] A: He's in charge of managed care. Managed care  
[2] marketing.  
[3] Q: Managed care marketing? John Powers, what  
[4] were his duties?  
[5] A: He was the director of contracting.  
[6] Q: And Mr. Feldman we talked to — we deposed  
[7] yesterday. Do you have any regular ongoing dealings  
[8] with Rich Feldman currently?  
[9] A: Currently? Not directly, no.  
[10] Q: Just see him occasionally, perhaps?  
[11] A: Yes.  
[12] Q: Okay. So back to — a little ways, and that  
[13] is when you got promoted to be head of contracting and  
[14] marketing controlling in October of 1998, your  
[15] supervisor responsibilities were to calculate the  
[16] statutory requirements to the states and federal  
[17] governments under Medicaid. Right? Supervising that?  
[18] A: Yes.  
[19] Q: And paying invoices to the states for Medicaid  
[20] rebates.  
[21] A: Yes.  
[22] Q: Now, insofar as those functions themselves —  
[23] and — and I'm not trying to be mean to you; I'm just  
[24] trying to find out — if — if people were to come in  
[25] and give you a sheath of papers that contained the raw

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[1] Q: When did you graduate from high school?  
 [2] A: 1978.  
 [3] Q: So you went right to Temple?  
 [4] A: Yes.  
 [5] Q: So you graduated in '82 from Temple and you  
 [6] entered the MBA program when?  
 [7] A: '80 — sometime in '82. Summer of '82.  
 [8] Q: Did you go full-time or part-time?  
 [9] A: Part-time.  
 [10] Q: How long did it take you to get your MBA?  
 [11] A: Four years.  
 [12] Q: Four years. During that period of time, were  
 [13] you working?  
 [14] A: Yes.  
 [15] Q: Where?  
 [16] A: Nabisco.  
 [17] Q: Nabisco.  
 [18] A: Yes.  
 [19] Q: What division of Nabisco were you working in?  
 [20] A: The snack foods manufacturing operation in —  
 [21] in Philadelphia.  
 [22] Q: And you were a manager in the manufacturing  
 [23] process?  
 [24] A: No, I was a plant accountant.  
 [25] Q: Plant accountant?

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[1] A: Yes.  
 [2] Q: And who did you report to as a plant  
 [3] accountant?  
 [4] A: The plant controller.  
 [5] Q: And how long did you work for Nabisco as a  
 [6] plant accountant?  
 [7] A: About two years.  
 [8] Q: And then what did you do?  
 [9] A: Then I went to work as an accountant — a cost  
 [10] accountant at Standard Pressed Steel in Jenkintown.  
 [11] Q: Near Philadelphia?  
 [12] A: Yes.  
 [13] Q: Okay. And you were still getting your MBA at  
 [14] the time, working on it?  
 [15] A: Yes.  
 [16] Q: Okay. And how long were you with that  
 [17] company?  
 [18] A: A few years, about two years or so, two to  
 [19] three years.  
 [20] Q: What were your job duties?  
 [21] A: I was a cost accountant.  
 [22] Q: A cost accountant again? And how about after  
 [23] that?  
 [24] A: I went to a home health care company, Foster  
 [25] Medical.

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[1] Q: Where is Foster Medical located?  
 [2] A: In Conshohocken.  
 [3] Q: Where is that?  
 [4] A: Outside of Philadelphia.  
 [5] Q: How long did you work for Foster Medical?  
 [6] A: About three years.  
 [7] Q: What were your job — what was your job there?  
 [8] A: I was a financial analyst.  
 [9] Q: And how big was Foster?  
 [10] A: About 500 million in sales.  
 [11] Q: 500 million in sales annually?  
 [12] A: Yes.  
 [13] Q: Are they still in existence?  
 [14] A: I don't — I don't know.  
 [15] Q: Do you know if they were ever acquired or  
 [16] merged with another company?  
 [17] A: I don't know.  
 [18] Q: Do you know if Foster ever changed its name?  
 [19] A: I don't know.  
 [20] Q: Who did you report to at Foster?  
 [21] A: The controller.  
 [22] Q: Who was that?  
 [23] A: James Mattis.  
 [24] Q: James Mattis? Was he a certified public  
 [25] accountant?

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[1] A: Yes, he was.  
 [2] Q: Have you ever sat for the CPA examination?  
 [3] A: No, I have not.  
 [4] Q: Do you hold any professional licenses or  
 [5] certifications?  
 [6] A: No, I do not.  
 [7] Q: Have you ever?  
 [8] A: No.  
 [9] Q: Do you have any military service?  
 [10] A: No, I do not.  
 [11] Q: What were your job duties at Foster Medical?  
 [12] A: I was a field financial analyst. I worked  
 [13] with the — the individual regions of the country to  
 [14] help them with their operating budgets and explanations  
 [15] of their actual expenses.  
 [16] Q: This was what timeframe?  
 [17] A: Probably in the late '80s.  
 [18] Q: Late '80s? Was Foster Medical a Medicare  
 [19] provider?  
 [20] A: Yes, it was. I believe so.  
 [21] Q: Was Foster Medical a Medicaid provider in any  
 [22] states?  
 [23] A: I don't know.  
 [24] Q: Did you — as a financial analyst, did you  
 [25] analyze their revenues?